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SCHAKOWSKY: HOUSE REPUBLICANS ABANDON SOLDIERS AND VETERANS AND ADD TO THEIR FINANCIAL BURDEN

WASHINGTON, D.C. - Even though four out of 10 members of the reserves and National Guard take a pay cut when they leave their civilian jobs for active duty, House Republicans refused to support an effort by U.S. Representative Jan Schakowsky's (D-IL) to help ease the financial burden on soldiers and their families.

□ Republicans voted against a Schakowsky motion to improve, S. 1920, the legislative vehicle used by Republicans today to push through the Bankruptcy Abuse Prevention and Consumer Protection Act of 2003 (H.R. 975). □ Schakowsky's motion would have exempted military personnel and veterans from the bill's arbitrary and severe means test. □

"Military personnel, veterans, and their families could be dragged into court by their creditors and harassed because of an arbitrary standard - the means test - that has no true reflection of whether they can pay their debt or not. □ The men and women who in the past have and do today risk their lives to protect us deserve protection from us in return. □ We should be offering them relief, not greater hardships," Schakowsky said.

□ Schakowsky added that, since 9/11, 354,692 reservists and guardsmen have been called to active duty and almost 40,000 reservists and national guardsmen are currently serving in Iraq. □ The 130,000 Member Fleet Reserve Association has written in support of Schakowsky's motion, stating, "We need to continue to protect current bankruptcy protections for those who served and continue to serve our military."

The means test would force families with an average income or higher and who can repay \$10,000 or 25% of their debts over five years to file bankruptcy under Chapter 13 instead of Chapter 7. □ This means that families cannot discharge their debts, but are forced into lengthy and expensive repayment plans that can cripple them financially for the rest of their lives and cost them their homes and precious possessions

□ "Many reservists and guardsmen left for the war thinking they would be deployed for six months - and have ended up staying for a year. Many have had to stay even longer.

There is almost no way they could have financially anticipated and prepared for that extension of their service," said Schakowsky.

She concluded, "They have sacrificed enough in our names. They have paid with their pain, their blood, their separation from family and home. We cannot make them pay any more. If we did, we would be morally bankrupt."

Schakowsky joined major consumer organizations, bankruptcy experts, women's groups, labor unions and other national groups to oppose S. 1920. The legislation imposes burdens on middle-class families; makes it more difficult for single women to collect child support; and does nothing to stop abusive credit card company practices or predatory lending. And, while 90% of all personal bankruptcies are caused by job loss, high medical bills or divorce, this bill does nothing to help consumers faced with those catastrophes.

SOLDIERS AND THEIR FAMILIES IN NEED OF PROTECTION

. Mrs. Vicky Wessel appeared on 60 Minutes last year. She expressed the concerns that many families of reservists whose husbands or wives have been called to active duty experience. "Emotionally," she said, "it's been tough not having a husband around, not having a father for the kids. "But," she added "financially it's been really difficult, because a staff sergeant's pay is a 60 percent cut in pay from my husband's regular job."

. "It's not just his absence that we're dealing with," said Korina Self of Lockeford, CA, whose husband, California National Guard Spc. James Self, is serving in Iraq. "We're dealing with absolute financial devastation. We're on the verge of losing everything." In civilian life, James Self works for the California Youth Authority as a correctional officer. The gap between his military and civilian salary is paid by the state. But the family's finances still were ravaged by Self's more than 18 months of deployment. All told, Korina Self believes the family has lost at least \$2,000 a month in income, not including the loss of her salary. The Selfs filed for bankruptcy to avoid losing their house.

. After Air Force reservist Master Sgt. Oscar R. and his company were activated for one year - on eight hours notice - he left his wife behind to run the couple's construction company. His wife and daughter tried to make it work, but with little experience, the company lost bids for construction projects. "I lost my savings. I lost my credit. My credit history -it's in shambles." The home is in foreclosure. Oscar is now trying to rebuild his business one step at a time. He's gone from building hotels to kitchen counters. The couple has separated due to the strain of the family's finances.

. Ted V. is a 36-year old Ohio man and an Army reservist called up to active duty following the September 11th terrorist attacks. He left behind his wife, three young

children and a newly acquired plastic molds business. Before he left he borrowed \$91,600 from the Small Business Administration to keep his business afloat while he was away and then handed the reins to his wife, a high school teacher with no business training. Today, he is broke, nearly bankrupt and on his second tour of duty in Iraq.

. Retired Navy Captain Bill Kennedy, a former aircraft carrier commander who now heads Naval Station Mayport's branch of the Navy-Marine Corps Relief Society, says many young military people walk a razor-thin economic line: "An E-3 (one of the lower ranks), married with one child, after base pay and other allowances has no money left at the end of the month. Zero," says Kennedy. "There's no money for restaurants. No money to go to a movie or buy presents. A car repair or even a little mismanagement can wreck 'em."